

February 19, 2015

To: Members of the Banks Committee

Fr: Connecticut Bankers Association

Contacts: Tom Mongellow, Fritz Conway

Re: Proposed H.B. No. 5973 AN ACT ESTABLISHING A TASK FORCE TO STUDY THE CREATION OF A STATE-WIDE BANK IN CONNECTICUT

Position: Oppose

The concept of creating a "state-wide bank", also known as a "state run bank", has been explored in a number of studies, including a recent one by the Massachusetts legislature. The resounding conclusion of that report was to not recommend pursuing the state-run-bank concept and the CBA agrees with that conclusion.

Banks throughout the state are some of the most well capitalized in the country and have diverse and affordable product offerings for businesses and consumers. A state run bank would only compete for bank business in an increasingly competitive marketplace.

Banks in Connecticut already participate with a variety of state agencies on specialized lending products including CHFA, DECD. There is no need for another state agency creating duplicative products at the taxpayers' expense.

We would be happy to provide the Committee with the Massachusetts study and we respectfully urge your rejection of House Bill 5973